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Dear Jeff and Jim:

South Fork Wind, LLC (“SFW”) submits this amended mitigation proposal to the Rhode Island Coastal Resources Management Council (“CRMC”) for the federal consistency review of SFW’s proposed offshore wind farm (the “Project” or “SFW Project”).

Summary of SFW Compensatory Mitigation for SFW

As you know, SFW has amended its mitigation proposal and has made a total commitment of \$12 million nominally for the life of the SFW Project to provide financial compensation to the Rhode Island fishing community for mitigating impacts arising from the construction, operation, and decommissioning of SFW. While we have discussed funding the \$12 million in roughly equal annual installments over the anticipated 30-year life of the project, we have also stated that we are willing to discuss the funding schedule and the ways in which compensation will be handled over time. In the spirit of compromise, accounting for contingencies and in recognition that SFW is the first project of Orsted and Eversource, this \$12 million offer represents an enormous increase from SFW’s initial offer last September based on the Woods Hole estimate of potential impacts from the project. Also please note that we are still committed to providing our RI Navigational Enhancement and Training Program.

Evolution of SFW Mitigation Proposal and “First Project”

SFW has described in numerous meetings and filings with CRMC including in its September 28, 2020 proposal that it has modified its Project to avoid and/or mitigate impacts to fisheries. These modifications have been substantial including from an economic standpoint. One such modification is the revised layout to a 1 nautical mile by 1 nautical mile grid along both the east-west and north-south corridors. SFW recognizes, however, that the construction and decommissioning of SFW, in particular, will present impacts that require mitigation under the OSAMP. South Fork also recognizes that there will be some impacts during operations that will need mitigation.

Because SFW recognized the need to evaluate the scope of financial mitigation, SFW engaged Woods Hole to examine impacts to fisheries during the life of the Project and provide the economic value of such impacts. To do this work, Woods Hole took an evidentiary based approach and included data provided by NOAA's National Marine Fisheries Service ("NMFS") covering a period of ten years, 2008-2018. These NOAA data are the best available data for such analyses. Woods Hole has presented its work to CRMC and described how it analyzed impacts to fishing at the wind farm.

In addition, based on feedback during negotiations with the FAB and CRMC during mitigation discussions, Woods Hole made additional adjustments to its analysis to account for dockside sales of lobster and Jonah crab, construction effects to an extended lease buffer, multiplier for downstream impacts, and direct and indirect impacts to charter fishing. Woods Hole estimates the SFW impact at \$1,020,000.

SFW also made additional adjustments over time to account for experiential/uncertainty concerns and potential recreational impacts. In the spirit of compromise, SFW added additional money for it being the "first project" for Orsted and Eversource. The attached chart summarizes the breakdown of this updated proposal as well as the evolution of South Fork's mitigation proposal in greater detail.

Conclusion

As stated previously, the mitigation fund will include a direct compensation fund and a coastal community fund. South Fork also will provide its Navigational Enhancement and Training Program as described previously.

Sincerely,

Olivia Larson Tesse

Break down of the total SFW mitigation compensation:

Evidentiary Based	First project add-on	Navigational Enhancement	Total
\$1,700,000	\$10,300,000	\$1,000,000	\$13,000,000

Evolution of SFW mitigation proposals:

Date	Increase	Total Amount	Comment
09/28/2020	-	\$ 700,000	Based on gross WHOI reported impacts
12/3/2020	\$ 318,000	\$ 1,018,000	WHOI adjustments including to account for: dockside sales of lobster and JC, construction effects to an extended lease buffer, multiplier for downstream impacts (processors), direct and indirect impacts to charter fishing
12/3/2020	\$ 30,000	\$ 1,048,000	SFW adjustment for FAB requested SFW rerouting
12/17/2020	\$ 419,200	\$ 1,467,200	40% contingency to address experiential/ uncertainty concerns.
1/07/2021	\$ 1,000,000	\$ 2,467,200	Rhode Island Navigational Enhancement and Training Program- provides grants for navigational equipment up to \$10k per vessel for impacted Fishers across NEP lease areas as well as \$1k grant for professional training
2/11/2021	\$ 209,573	\$ 2,676,773	Increasing contingency +20% to a total of 60%. This concludes the evidentiary based portion of compensation.
2/11/2021	\$ 3,025,000	\$ 5,701,773	Non-scalable lump sum for SFW specific perceptions such as SFW being the first project
4/07/2021	\$ 3,798,227	\$ 9,500,000	Additional non-scalable lump sum for SFW specific perceptions such as SFW being the first project and uncertain recreational impacts
5/13/2021	\$3,500,000	\$13,000,000	Additional non-scalable lump sum for SFW specific perceptions such as SFW being the first project and uncertain recreational impacts